



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Approving Grape Bowl Facility Renovation and/or Maintenance Fee Policy

MEETING DATE: September 16, 2009

PREPARED BY: Interim Parks and Recreation Director

RECOMMENDED ACTION: Adopt resolution approving the Grape Bowl facility renovation and/or maintenance fee policy.

BACKGROUND INFORMATION: To continue generating funds for the renovation and maintenance of the Grape Bowl, staff is recommending the City Council adopt a \$1 facility renovation ticket fee.

Attaching an additional charge to a ticket is a common industry mechanism to generate revenue for maintenance and renovation needs in the absence of any specific revenue streams. The charge is often applied to tickets sold in new facilities, not just ones with deferred maintenance issues such as the Grape Bowl.

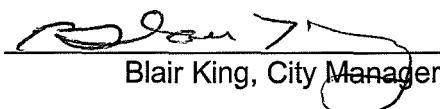
For the Grape Bowl, the proposed \$1 facility fee will be used primarily for upgrades required to meet accessibility standards and deferred maintenance issues; and secondarily, to bring the service infrastructure, such as restrooms and concessions stands, to modern standards. Currently there is no funding allotted to the department for deferred maintenance or renovation of facilities. More than \$320,000 was expended recently to enhance the facility's accessibility. No other funds, however, have been identified to continue the renovation process.

Facility fee revenue will be deposited by the Recreation Department – an enterprise fund within the City's budget structure – into a new trust account. The proceeds will be spent on an as-needed basis for projects within the facility consistent with the City's appropriations practices.

The policy establishes a clear delineation between ticketed and non-ticketed events, and defines certain levels of access for our users. For instance, the fee will not be charged to CIF league football games due to the fact that the CIF has capped ticket prices for schools for all league games. The policy defines terms of the facility and ticketing functions, types of events subject to the fee, method of collection, and the current or potential future fee amount.

Examples of other facilities charging a fee are Stockton Arena and ARCO Arena, which charge a \$1.75 facility fee, the Sacramento Community Center Theatre (\$3), and the Gallo Center for the Performing Arts in Modesto (\$1).

APPROVED:


Blair King, City Manager

The proposed policy is as follows:

Facility Renovation Fee:

A. Definition of Terms:

1. Facility Charge:
A surcharge attached to ticketed events held in a specific facility for the purpose of funding construction, renovation, or improvements to that facility. Funds collected through charge will be deposited into an account designated for that facility.
2. Ticket Sold:
For the purpose of this document, a ticket is considered sold anytime admission is granted to an individual who has paid an admission fee to a box office or event sponsor regardless of whether or not a physical ticket has been issued.
 - i. A ticket marked complimentary is considered sold if it has been given out to someone who has paid a field trip or participation fee or charge.
 - ii. A receipt for payment for admission is considered to be the equivalent of the number of tickets which would be required to provide individual tickets to the number of persons being admitted by the receipt.

B. Events Effected:

1. This policy applies to any ticketed event held at the Grape Bowl Stadium, 221 Lawrence Street.
 - i. Lodi Unified School District CIF league football games are exempt from this policy.
 - ii. Complimentary tickets will be exempt with the exception on any ticket labeled complimentary that may have been sold as a group ticket or special promotion. In these instances, the event sponsor will be assessed a facility fee equal to the number of seats occupied times the amount of the current facility charge. The facility charge will be collected from the event sponsor at settlement.

C. Method of Collection:

The Facility Charge will be collected by one of two means.


1. The facility charge will be added as a surcharge to the ticket price and collected from the ticket buyer at the time of sale.
2. Consigned Tickets: Tickets pre-pulled from the system to be sold by the sponsoring organizations will have the surcharge added to the ticket price and collected by the sponsoring organization at time of sale.

D. Amount of Facility Fee Charge:

1. For Fiscal Years 2009/10 and 2010/11, the facility charge is set at \$1.00 per ticket sold as defined above.
2. Beginning July 1, 2011, the amount of the facility charge may be periodically adjusted to accommodate the construction, maintenance, repair or renovation needs of the facility, but can not be increased greater than 50 percent from the previous fiscal year.

FISCAL IMPACT:

Unknown at this time, but revenue will relieve traditional sources of City capital improvement funds and could be used as matching funds for grants. Facility improvements paid with ticket fee revenue will allow the Grape Bowl to better serve the community, increasing its use.


James M. Rodems
Community Center Director

RESOLUTION NO. 2009-126

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING GRAPE BOWL FACILITY RENOVATION
AND/OR MAINTENANCE FEE POLICY

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WHEREAS, the Grape Bowl is nearly 70 years old and in need of repairs and renovations; and

WHEREAS, the City of Lodi has no identified revenue stream to support the improvements needed; and

WHEREAS, attaching a facility fee to tickets purchased is a common practice by facility owners to generate funds needed to support the maintenance and repairs of multi-use facilities; and

WHEREAS, staff recommends charging or attaching a \$1.00 fee to any tickets sold for the utilization of the Grape Bowl for facility improvements and/or maintenance; and

WHEREAS, the facility fee collected at the Grape Bowl will be used only for improvements to the facility.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the Grape Bowl Facility Renovation and/or Maintenance Fee Policy and hereby establishes a \$1.00 fee consistent with the Policy, as shown on Exhibit A attached.

Date: September 16, 2009

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I hereby certify that Resolution No. 2009-126 was passed and adopted by the Lodi City Council in a regular meeting held September 16, 2009, by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Johnson, Katzakian, Mounce,
and Mayor Hansen

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL
City Clerk

**GRAPE BOWL FACILITY RENOVATION
AND/OR MAINTENANCE FEE POLICY**

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